

ASCENSION PROPERTIES LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2006/026141/06)

JSE share code for A-linked units: AIA ISIN: ZAE000161881

JSE share code for B-linked units: AIB ISIN: ZAE000161899

(Approved as a REIT by the JSE)

("Ascension")

DELTA PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2002/005129/06)

Share code: DLT ISIN: ZAE000172052

(Approved as a REIT by the JSE)

("Delta")

REBOSIS PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2010/003468/06)

JSE share code: REB ISIN: ZAE000156147

(Approved as a REIT by the JSE)

("Rebosis")

CONCLUSION OF A CO-OPERATION AGREEMENT BETWEEN ASCENSION, DELTA AND REBOSIS

1.1 Introduction

The boards of Ascension, Delta and Rebosis (collectively, "the Parties") are pleased to announce that the Parties have concluded a written co-operation agreement in terms of which each party undertakes to the other a duty of utmost good faith in co-operating to explore a tripartite merger of the Parties ("the Proposed Merger").

1.2 Rationale for the Proposed Merger

The rationale for the Proposed Merger includes, *inter alia*, the following:

- capital available to smaller market capitalisation REITs is increasingly constrained, driving consolidation and corporate activity in order to best serve the interests of the REITs linked unitholders and tenants;
- the values of the property portfolio and market capitalisation of the merged entity are anticipated to be in excess of R16.5 billion and R9.5 billion, respectively, and accordingly the Proposed Merger will establish the largest listed black economic empowerment property fund on the JSE Limited;
- the growth aspirations of each of the Parties will be fast tracked as strategic platforms are consolidated;
- the merged entity is expected to attract interest from a wider group of investors thereby increasing the liquidity of the merged entity and may accordingly result in a re-rating of the merged entity; and
- the Proposed Merger is expected to position the merged entity to make further yield enhancing acquisitions and its increased size should provide the merged entity with greater access to debt and capital markets at competitive rates and generally to have a lower cost base, thereby improving the prospects of the merged entity.

1.3 **Swap ratio and legal structure**

The swap ratio and legal structure of the Proposed Merger will be determined and agreed by the respective independent boards of the Parties post:

- the satisfactory conclusion by each of the Parties of a due diligence investigation on each of the other Parties; and
- the independent valuation of each of the Parties' property portfolios, and will be announced in due course.

1.4 **Board composition**

The proposed board of the merged entity is in the process of being finalised and will be announced in due course.

1.5 **Cautionary**

Linked unitholders of Ascension, Delta and Rebosis are advised to continue to exercise caution when dealing in their linked units until further announcements have been made.

25 February 2014

Johannesburg

Joint transaction advisors to the Parties

Java Capital

Nedbank Capital

Sponsor to Ascension and Rebosis

Java Capital

Sponsor to Delta

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